

# NEWS



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**Immediate Release**  
**April 5, 2006**

## **FEMA OFFICIALS PLEA GUILTY TO CHARGES OF FEDERAL PUBLIC BRIBERY**

NEW ORLEANS, LOUISIANA - Jim Letten, United States Attorney for the Eastern District of Louisiana, James Bernazzani, Special Agent in Charge, Federal Bureau of Investigation, New Orleans Division, and Charles Haas, Special Agent in Charge, Office of the Inspector General, United States Department of Homeland Security, and Michael Brannan, Resident Agent in Charge, Louisiana Office, Office of the Inspector General, United States Department of Homeland Security, announced today that ANDREW ROSE and LOYD HOLLIMAN, two FEMA officials working in New Orleans, plead guilty before the Honorable Mary Ann Vial Lemon. ROSE and HOLLIMAN were charged in a two count indictment on February 2, 2006 with soliciting bribes as public officials.

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA	*	CRIMINAL DOCKET NO. 06-030
v.	*	SECTION: 'S'
ANDREW ROSE	*	
LOYD HOLLIMAN		

**FACTUAL BASIS**

If this matter would have gone to trial, the Government would have proven the following through competent evidence and testimony beyond a reasonable doubt:

The defendants, Andrew Rose and Loyd Holliman, were both residents of Colorado, who traveled to New Orleans, Louisiana after Hurricane Katrina, in or about September, 2005 and were hired by FEMA (an official agency of the United States Government) as disaster relief employees. The defendants were public officials/employees of FEMA and their jobs were supervisor/managers of the supply unit at the FEMA base camp known as The LB Landry base camp located in Orleans Parish, Louisiana. The LB Landry FEMA

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According to the indictment ROSE and HOLLIMAN ,both residents of Colorado, are FEMA Disaster Assistance employees who were charged with managing the FEMA base camp located in New Orleans, Louisiana, and are public officials in their capacity as employees of FEMA, an agency of the United States Government.

According to the facts of the case as presented to the United States District Court, and to which,both defendants admitted at the time of their guilty pleas, following Hurricane Katrina, both defendants, as FEMA employees, were supervisory managers of the supply unit at the base camp known as the L. B. Landry Camp located in New Orleans, on the westbank of the Mississippi River. The camp provided housing needs and assistance to disaster relief workers in the area. In performance of their official duties, both defendants had the authority to monitor and recommend contracts from various vendors who provided services to the base camp.

Thereafter, on December 7, 2005, both defendants met with a Louisiana businessman, who had contracted to provide meals to the base camp. During that meeting, ROSE and HOLLIMAN solicited bribes from the contractor in exchange for agreeing to inflate the per-meal,headcount upon which the meal contract was based. In the meeting, the defendants told the contractor that they would falsely inflate the number of meals served and would, in turn, require the contractor to pay them bribes for providing the inflated meal counts.

Responding swiftly, after being confronted with demands for illegal bribe payments by the two FEMA supervisors, the contractor reported the ongoing offense to the Department of Homeland Security Inspector General's Office, which in turn immediately notified and worked

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with Special Agents of the Federal Bureau of Investigation and members of the United States Attorney's Office in pursuing a criminal investigation.

In a subsequent meeting between the contractor and defendant ROSE on January 19, 2006, ROSE requested a payment of \$20,000, which, according to plan, would be split evenly between ROSE and HOLLIMAN in furthering the inflated meal count scheme which they had proposed.

Only a few days later on January 24, 2006, in a meeting between the contractor and both ROSE and HOLLIMAN, the defendants again requested the payment of \$20,000 explaining that the bribe was for both defendants as payment for securing the meal service contract and falsely inflating that contract. At this meeting, both ROSE and HOLLIMAN discussed various ways in which the contractor could falsely inflate the meal service count. Later on the same day, at a subsequent meeting, both defendants met again with the contractor to discuss ways and means for falsely inflating the meal service count, later telling the contractor that they would provide the inflated count to be used by the contractor in exchange for a bribe payment of \$20,000 for each of them per week. Three days later, on January 27, 2006, during the course of the undercover investigation, the contractor, while cooperating with federal authorities, met both ROSE and HOLLIMAN at the FEMA base camp, and as per their instructions, provided an envelope to each of them containing \$10,000. Upon receipt of the money, both ROSE and HOLLIMAN confirmed that these payments covered the inflated meal service count from about December 3, 2005 until approximately January 15, 2006. Additionally, following their receipt of

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the bribe payments from the contractor, both defendants continued to plan how the contractor was to fraudulently inflate the meal service count on a continuing basis and would pay them \$2,500 each, per week. Immediately following the meeting on January 27, 2006, both defendants were placed under arrest by Special Agents of the FBI and Department of Homeland Security Inspector General, and were indicted by a Federal Grand Jury one week later.

Commenting on today's important convictions, United States Attorney Letten stated:

"The swift and decisive investigation and conviction of these two FEMA employees is compelling evidence of the absolute commitment of the U. S. Department of Justice, as well as the FBI and the Department of Homeland Security, to tolerate no abuses whatsoever by citizens or public officials in the wake of the devastation of Hurricane Katrina. The federal criminal bribery convictions of these two individuals confirms the commitment of U. S. Attorney General Alberto Gonzales, Assistant Attorney General Alice Fisher, and the entire Department of Justice that no citizen or public official will be permitted to illegally profit at the expense of communities and citizens who so desperately need the FEMA funds and assistance in the wake of this region's terrible disaster. Moreover, our personal commitment to continuing our district's well established priorities of fighting public corruption are evidenced in today's criminal convictions of these men. We will remain vigilant in protecting our citizens and their right to rebuild their lives and their communities, free from corruption."

James Bernazzani, Special Agent in Charge, FBI, added:

"The FBI has been clear that any individual, whether they be federal, state or local, whether they be elected, appointed or hired, who misuses their position for profit, will be vigorously investigated and brought to justice. The FBI, with our law enforcement partners, are fundamentally committed to work day and night to ensure that the people of Louisiana who have been victimized by the storms will not again be victimized by the criminal element."

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Additionally, Richard Skinner, the Inspector General of the U. S. Department of Homeland Security, stated:

"The Federal Emergency Management Association ( FEMA ) is comprised of many dedicated men and women who work quietly helping people get back on their feet after their lives are disrupted by a disaster. The conduct of these two former FEMA employees is serious and will not be tolerated, as evidenced by their arrest and conviction. We remain committed to working with our internal and external partners to aggressively investigate all allegations of corruption to protect the integrity of Department of Homeland Security personnel, programs and operations."

The maximum penalty the defendants could receive is 15 years imprisonment, a fine of \$250,000 or not more than three times the monetary equivalent of the thing of value, whichever is greater, both fine and imprisonment.

Sentencing is scheduled for July 26, 2006. This matter was investigated by Special Agents of the Federal Bureau of Investigation and Agents of the Department of Homeland Security Inspector General's Office. This case is being prosecuted by Assistant U. S. Attorneys James R. Mann, Supervisor of the Financial and Cyber Crimes Unit and Salvador Perricone, Supervisor of the Organized Crime and Racketeering Strike Force Unit.